

2012 SESSION

**Technology and Government
Operations Subcommittee Overview**

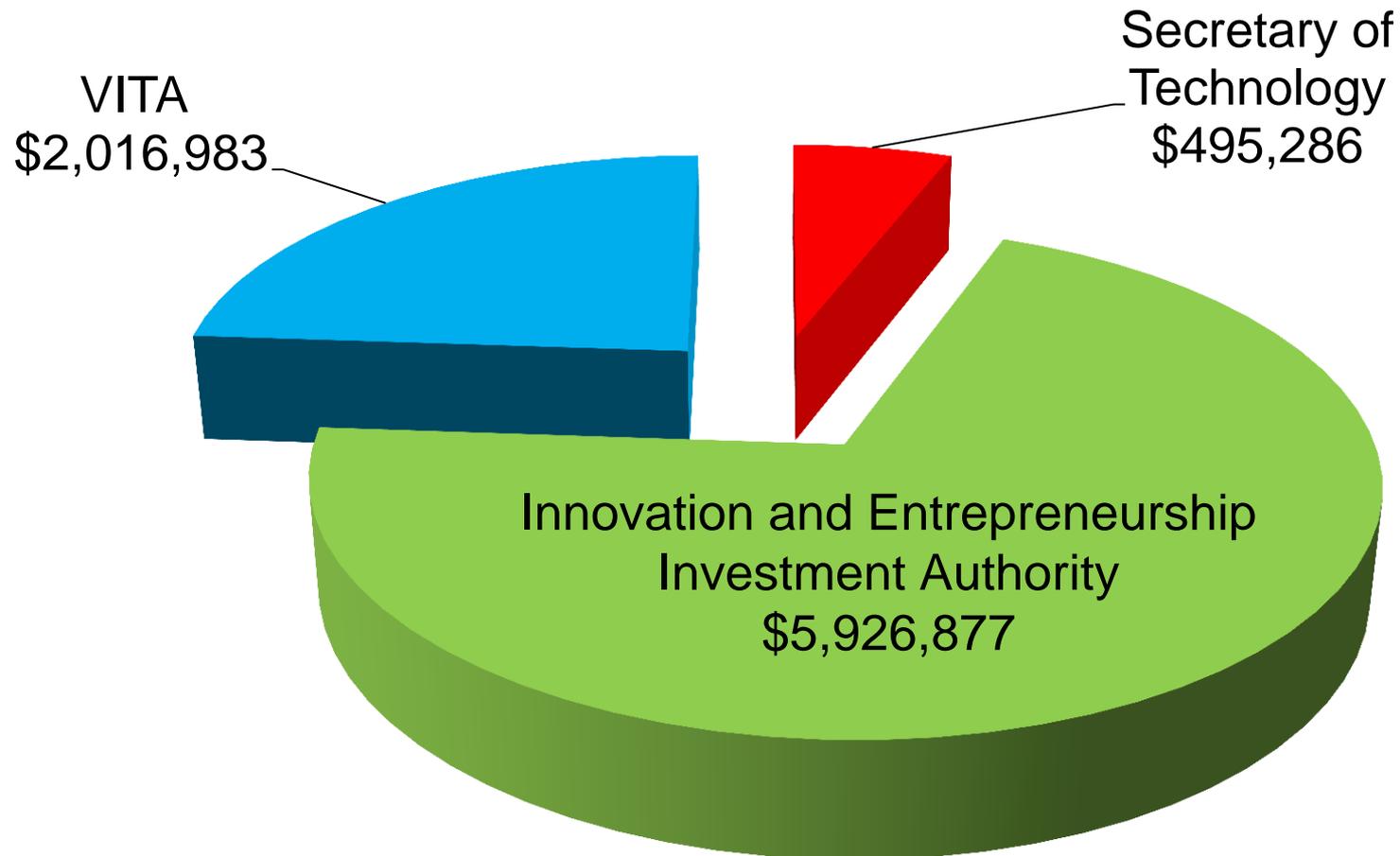
January 17, 2012

Issues Before Technology and Government Operations Subcommittee

- The Technology and Government Relations Subcommittee focuses its attention on four issues:
 - The Technology Secretariat and any technology-related items found in Central Appropriations
 - Reviewing proposed changes to the General Provisions
 - Represents the powers, constraints, and reporting requirements provided to the Governor and state agencies for use when the General Assembly is not in Session
 - Acting on claims bills
 - Acting on legislation affecting the Appropriation Act

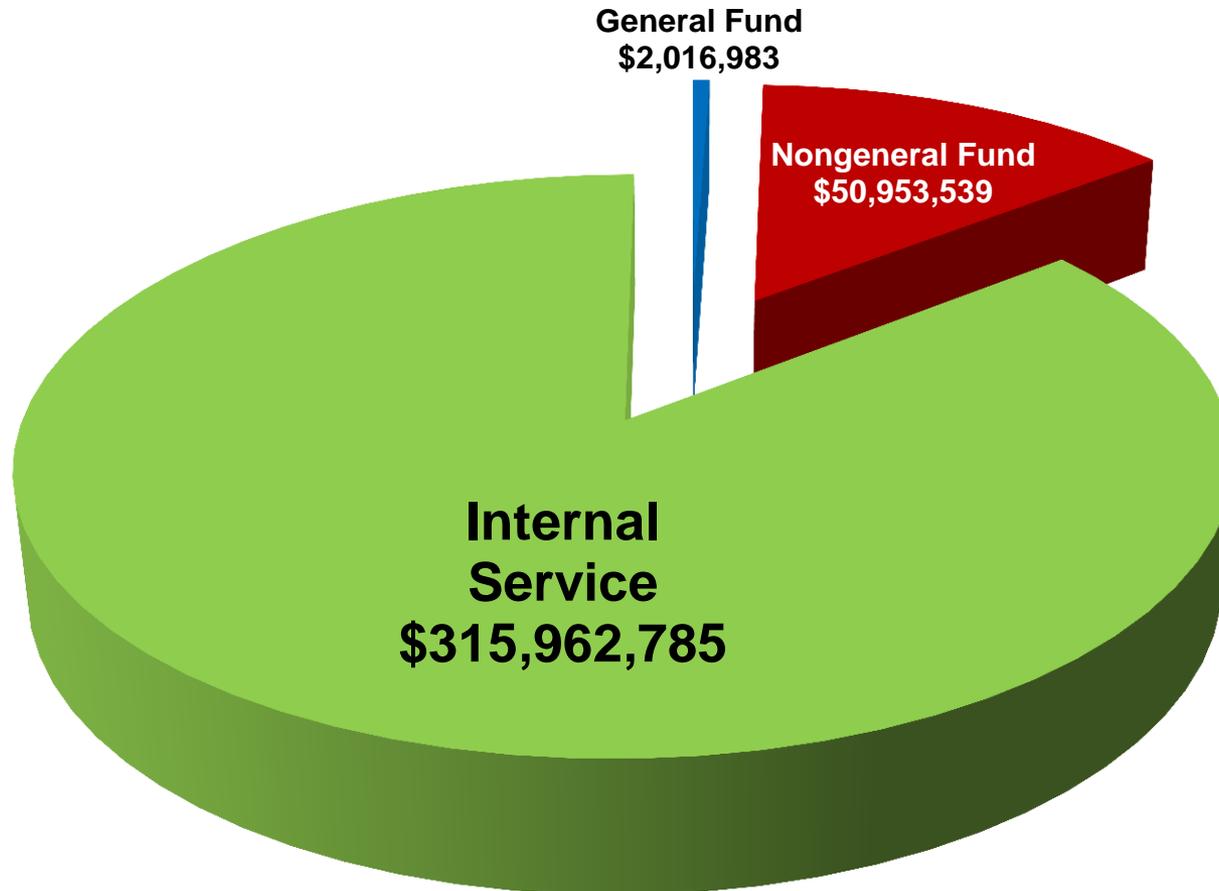
GF Budgets for Technology Agencies

Total GF Budget = \$8.4 million



Virginia Information Technologies Agency Budget

Total Budget \$368.9 million



Technology Actions – HB 29

- Includes \$1.4 million GF in FY 2012 for VITA to eliminate savings double-counted during budget development
 - Also eliminates a general fund transfer of \$593,232 from nongeneral fund agencies
 - The savings were double-counted because they were incorporated into VITA's July 1, 2010 and September 1, 2011 information technology rates
 - Similar actions are included in both years of HB 30

HB 30 Technology Actions

- Innovation and Entrepreneurship Investment Authority
- Proposes \$1.0 million GF in FY 2013 and \$1.3 million GF in FY 2014 to market Virginia's cyber-security and modeling and simulation activities

Virginia Information Technologies Agency

- Proposes to increase the working capital advance for enterprise applications by \$60.0 million, from a total of \$30.0 million to a total of \$90.0 million, to cover systems planning and development costs of the Cardinal financial accounting system
 - Repayment of this loan is to be paid from enhanced collections, cost recoveries, and other savings associated with the Cardinal project
 - If those sources are insufficient, language authorizes the Governor to use up to \$2.0 million from unappropriated general fund balances to repay the working capital advance
- Again, proposes \$1.4 million GF each year to eliminate previously approved reductions in overhead charges for information technology services
 - These reductions were built into the revised information technology rates that state agencies pay for VITA and Northrop Grumman's services

HB 30 Technology Actions – cont'd

- Includes \$2.5 million NGF in federal funds in FY 2013 for services provided to the Department of Education in support of the Virginia Longitudinal Data System
- Proposes \$823,400 NGF in FY 2013 and \$1.0 million NGF in FY 2014 from billings to state agencies for optional collaborative services purchased from VITA's Enterprise Applications Division
- Saves \$128,724 GF each year from various strategies including reducing funding for the development of new information technology management tools
- Reduces the agency's staffing by 27 NGF positions to account for changes in internal support of the Northrop Grumman contract
- Language states that VITA's Northrop Grumman internal service fund does not include the first or second year costs for either:
 - (1) optional workplace productivity and management information systems that are to be offered to state agencies and other customers following approval of rates and surcharges by JLARC, or
 - (2) to secure upgraded broadband capacity to meet the current and ever-expanding demands of state agencies for services such as remote computer access, streaming audio and video, general internet access, and future technological offerings such as storage and message archiving
- More detail is needed on these exclusions, especially items like general internet access

Technology Related Central Account Items

- The 2011 Session of the General Assembly approved \$26.6 million GF in FY 2011 and \$28.7 million GF in FY 2012 to assist state agencies with the costs of VITA and Northrop Grumman services
 - So what happened to this funding?
 - \$20.8 million GF each year to state agencies for VITA and Northrop Grumman costs
 - Reduced the remainder by \$4.7 million in FY 2013 and \$4.4 million in FY 2014 due to updated charges and agency cost containment efforts
 - \$1.1 million in FY 2013 and \$3.4 million in FY 2014 remain for unspecified state agency technology costs
- Includes \$5.0 million GF in FY 2013 and \$1.8 million GF in FY 2014 for replacing five agencies telephone systems with a proprietary system called UCaaS
 - OAG, and Departments of Corrections, Environmental Quality, Health, and Taxation
 - VITA is to determine how the ongoing costs of these systems can be minimized